Honourable Jacob Jusu Saffa  
Minister of Finance  
Treasury Building, George Street, Freetown  
Sierra-Leone  

Honourable Minister Saffa:  

Re: Republic of Sierra Leone: Credit No. 5767-SL  
Smallholder Commercialization and Agribusiness Development Project  
Amendment to the Financing Agreement  

We refer to the Financing Agreement dated March 14, 2016, entered into between the Republic of Sierra Leone ("Recipient") and the International Development Association ("Association") for the above-mentioned Project. Following discussion between the Recipient and the Association on restructuring the Project, the Association proposes to amend the Financing Agreement as follows:  

1. Article 3.01 of the Financing Agreement is amended to be read as follows:  

"The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Agriculture and Forestry ("MAF") in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.”  

2. Article 4 of the Financing Agreement is deleted in its entirety.  

3. Article 5.01(a), 5.01(d) and 5.02 of the Financing Agreement are deleted in their entirety.  

4. Part A.2.1 of Schedule I to the Financing Agreement is deleted and replaced by the following:  

"1. (a) providing technical advisory services to Beneficiaries to develop agricultural lending products and services and to pilot those developed lending products and services; (b) providing technical assistance to promote digital savings driven input voucher systems; and (c) supporting the capacity building, training and certification of selected agro-input dealers and linking them to agro-inputs.”  

5. The title of Part B.2 of Schedule I to the Financing Agreement is amended to be read as follows:  

"Support for ICT technologies and market information systems to facilitate market coordination”  

6. Part B.2.1 of Schedule I to the Financing Agreement is deleted in its entirety.  

7. Part C.1 of Schedule I to the Financing Agreement is amended to be read as follows:
“1. Carrying out of a program of activities to build the capacity of MAF; such activities to include: (a) supporting short term and higher-level training of staff; and (b) supporting extension services and the activities of critical divisions within MAF including crop, policy, evaluation, monitoring and statistics and agri-business promotion.”

8. Part D.3 of Schedule I to the Financing Agreement is added to be read as follows:

“Social and Environmental Risk Management

1. Provision of technical assistance to support the preparation, implementation and monitoring of the social and environmental aspect of the Project, including the carrying out of a gender analysis to update the gender strategy and improve the grievance redressal mechanisms and the building of capacities on social and environmental aspects, including gender-based violence.”

9. Part E of Schedule I to the Financing Agreement is added to be read as follows:

“Contingency Emergency Response

1. Provision of immediate response to an Eligible Crisis or Emergency, as needed.”

10. Section I.A.7 and Section I.A.8 of Schedule 2 of the Financing Agreement are deleted in their entirety.

11. Section I.D of Schedule 2 of the Financing Agreement is deleted in its entirety.

12. Section I.H.6 and Section I.H.7 of Schedule 2 of the Financing Agreement are added to be read as follows:

“6. The Recipient shall ensure that all the bidding documents and contracts for works or non-consulting services under the Project require that the contractor, subcontractor or consultant adopt a code of conduct that shall be provided to and signed by all workers, as applicable to such works or non-consulting services commissioned or carried out pursuant to said contracts, which shall, inter alia, cover gender-based violence, and sexual exploitation and abuse, along with an action plan designed to effectively implement said code of conduct, including appropriate training on said code of conduct.

7. Except as the Association shall otherwise agree, the Recipient shall ensure, and cause to ensure, that none of the provisions of the Safeguard Instruments is abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.”
13. Section 1.1 of Schedule 2 of the Financing Agreement is added to be read as follows:

"I. Contingency Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part E of the Project ("Emergency Response Part"), the Recipient shall:

(a) prepare and furnish to the Association for its review and approval, a Contingency Emergency Response Manual ("CER Manual") which shall set forth detailed implementation arrangements for the Emergency Response Part, including: (i) any additional institutional structures or arrangements for coordinating and implementing the Emergency Response Part; (ii) specific activities which may be included in the Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Emergency Response Part; (iv) procurement methods and procedures for the Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management arrangements and instruments for the Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part;

(b) afford the Association a reasonable opportunity to review the proposed CER manual;

(c) promptly adopt the CER manual for the Emergency Response Part as accepted by the Association and integrate it as an annex to the Project Implementation Manual;

(d) ensure that the Emergency Response Part is carried out in accordance with the CER Manual; provided, however, that in the event of any inconsistency between the provisions of the CER Manual and this Agreement, the provisions of this Agreement shall prevail; and

(e) not amend, suspend, abrogate, repeal or waive any provision of the CER Manual without prior approval by the Association.

2. The Recipient shall, throughout the implementation of the Emergency Response Part, maintain the institutional structures and arrangements established in accordance with the CER Manual, with adequate staff and resources satisfactory to the Association.

3. The Recipient shall undertake no activities under the Emergency Response Part unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such
determination, accepted said request and notified the Recipient thereof; and

(b) the Recipient has ensured the preparation and disclosure of all safeguards instruments as may be required for said activities, in accordance with the CER Manual, the Association has approved all said instruments, and the Recipient has ensured implementation of any actions which are required to be taken under said instruments.

4. Notwithstanding any provisions to the contrary in this Section, Emergency Expenditures required for activities included in the Emergency Response Part of the Project shall be procured in accordance with the procurement methods and procedures set forth in the CER Manual.”

14. The table in Section IV.A.2 of Schedule 2 to the Financing Agreement (categories of Eligible Expenditures) is amended to be read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Value Chain Finance under the Sierra Leone Agri-Business Development Fund, consultant services, non-consulting services and Operating Costs under Part A.1 of the Project</td>
<td>8,600,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, consultant services, non-consulting services, Training and Operating Costs under Parts A.2.1 of the Project for piloting new agricultural lending products and the E-Voucher scheme</td>
<td>2,100,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Agri-Business Services Matching Grants under Part A.2.2 of the Project</td>
<td>1,869,700.00</td>
<td>100% of amount disbursed</td>
</tr>
<tr>
<td>(4) Goods, works, consultant services, non-consulting services, Training and Operating Costs under Parts A.2.3 of the Project</td>
<td>1,400,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Goods, works, consultant services, non-consulting services, Training and Operating Costs under Part B (except Parts B.2) of the Project</td>
<td>420,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Goods, works, consultant services, non-consulting services, Training and Operating Costs under Part B (except Parts B.2) of the Project</td>
<td>7,200,000.00</td>
<td>such a percentage to be agreed among the</td>
</tr>
</tbody>
</table>
### Table: Percentage of Expenditures to be Financed

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Costs under Parts B.1 of the Project</td>
<td></td>
<td>financiers in annual workplans</td>
</tr>
<tr>
<td>(7) Goods, consultant services, non-consulting services, Training and</td>
<td>2,321,800.00</td>
<td>100%</td>
</tr>
<tr>
<td>Operating Costs under Parts C.1, C.2, C.3 and C.4 of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(8) Capacity Building Grants under Parts C.5, C.6 and C.7 of the Project</td>
<td>1,209,967</td>
<td>100% of amount disbursed</td>
</tr>
<tr>
<td>(9) Goods, consultant services, non-consulting services, Training and</td>
<td>3,251,839.76</td>
<td>100%</td>
</tr>
<tr>
<td>Operating Costs under Part D of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(10) Refund of Preparation Advance</td>
<td>526,693.24</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(11) Emergency Expenditures under Part E of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>28,900,000</td>
<td></td>
</tr>
</tbody>
</table>

15. Section IV.B.1 of Schedule 2 of the Financing Agreement is amended to be read as follows:

"Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made:

(a) prior to the date of this Agreement;

(b) for Emergency Expenditures under Category 11 of the Project, unless and until the Association is satisfied, and notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said activities:

(i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has ensured that all safeguard instruments required for said activities have been prepared and disclosed, and the Recipient has ensured
that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section I.I of Schedule 2 to this Agreement;

(iii) the entities in charge of coordinating and implementing the Emergency Response Part have adequate staff and resources, in accordance with the provisions of Section I.I of this Schedule 2 to this Agreement, for the purposes of said activities; and

(iv) the Recipient has adopted the CER Manual in form, substance and manner acceptable to the Association and the provisions of the CER Manual remain or have been updated in accordance with the provisions of Section I.I of this Schedule 2 so as to be - appropriate for the inclusion and implementation of the Emergency Response Part.”

16. Section V of Schedule 2 to the Financing Agreement is deleted in its entirety.

17. The following definitions set out in Section I of the Appendix to the Financing Agreement are added or amended to be read as follows:

“Advisory Committee” means the Recipient’s committee comprising representatives from MoF, MAF, MTI, MWPA, a member of the Board of SLeCAD and a member of the Board of NAFFSL to be established for purposes of providing oversight over the implementation of Part A.1 of the Project and referred to in Section I.A.6 of Schedule 2 to this Agreement.

“Beneficiary” means a financial institution which meets the eligibility criteria conditions set out in the Project Implementation Manual for purposes of Part A.2.1 of the Project.

“Contingency Emergency Response Operations Manual” and the acronym “CER Manual” means the manual referred to in Section I.I of Schedule 2 to this Agreement, to be adopted by the Recipient for the Emergency Response Part of the Project and forms part of the Project Implementation Manual in accordance with the provisions of said Section.

“Eligible Activities” means either: (a) the activities eligible for financing through Value Chain Finance in accordance with the provisions of the Sierra Leone Agri-Business Fund Manual; or (b) the activities eligible for financing through the Matching Grants, in accordance with the provisions of the Pilot Matching Grant Manual; or (c) the activities eligible for financing through Agri-Business Services Matching Grants, in accordance with the provisions of the Agri-Business Services Matching Grants Operations Manual; or (d) the capacity building activities eligible for financing through the Capacity Building Grants, in accordance with the provisions of the Project Operations Manual.

“Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

“Emergency Expenditure” means any of the Eligible Expenditures set forth in the Emergency Response Manual in accordance with the provisions of Section I.I of Schedule 2 to this Agreement and required for the activities included in the Emergency Response Part.
“Emergency Response Part” means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part E of the Project.

“Environmental and Social Management Framework” or “ESMF” means the framework dated August 2015, disclosed in the Recipient’s territory on December 11, 2015 and on the Association’s website on December 10, 2015, in form and substance satisfactory to the Association, prepared by the Recipient, setting out modalities to be followed in assessing the potential adverse environmental and social impact associated with activities to be implemented under the Project, and the measures to be taken to offset, reduce, or mitigate such adverse impact.

“Ministry of Works and Public Assets” or “MWPA” means the Recipient’s ministry responsible for matter relating to roads.

“National Feeder Roads Committee” means the Recipient’s committee responsible for coordinating feeder road matters and comprising representatives from MWPA, MAF, MTI, MLGRD, SLARI, SLRA, RMFA, and the representatives from the Local Councils, and referred to in Section I.A.7 of Schedule 2 to this Agreement.

“National Project Steering Committee” means the committee established for purposes of the Project, referred to in Section I.A.2 of Schedule 2 to this Agreement chaired by the minister, MAF, and comprising relevant officials from MAF, MTI, MWPA, MLGRD, SLARI, SLeCAD and NAFFSL, and such other staff as the Minister may determine.

“Original Agreement” mean the financing agreement entered into between the Association and the Recipient on March 14, 2016 (Credit Number 5767-SL).

“Original Project” means the Project activities described in Schedule 1 to the Original Agreement.

“SMEs” means small and medium scale enterprises.

18. The following definition set out in Section I of the Appendix to the Financing Agreement is deleted in their entirety:

“Unified Project Implementation Unit” or “UPIU” means a unit to be established within MAF to take over the day-to-day financial management, procurement, monitoring and evaluation responsibilities under the Project and referred to in Section IV of Schedule 2 to this Agreement.

All other provisions of the Financing Agreement shall remain in full force and effect, except as specifically amended by this Amendment Letter.
Please confirm your agreement to the foregoing on behalf of the Recipient by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully signed original of this letter to us. Upon receipt by the Bank of the countersigned copy of this Amendment Letter, the Amendment Letter shall become effective as of the date of this letter.

Sincerely yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: Pierre Laporte
Country Director for Ghana, Liberia and Sierra Leone
Africa Region

AGREED:
REPUBLIC OF SIERRA LEONE

By

Authorized Representative

Name

Title

Date